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EB/ESC/TFS, S/CT (PATTY HILL), IO/PSC (JOHN SANDAGE)

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TAGS: [EFIN](#) [ETTC](#) [FI](#) [KVPR](#) [PREL](#) [PTER](#) [KTFN](#)
SUBJECT: TERRORISM FINANCE: FINLAND'S PLAYS BY EU RULES

REF: A. A. 06 SECSTATE 193615

[1](#)B. B. SECSTATE 19366
[1](#)C. C. SECSTATE 16917

[1](#)1. (SBU) Econoff delivered reftel demarches to Juha Rainne, Legal Officer at the Ministry of Foreign Affairs and Finland's representative to the EU's Sanctions Working Group. In response to the question raised reftel A, Finland does not maintain a separate national list of banned terrorist entities, but instead relies on the European Union's list.

[1](#)2. (SBU) In response to reftels B and C, Rainne noted that because the EU does not have an Executive Order similar to the one described in reftel B ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters"), the Iranian entities designated by the U.S. would not be put on an EU list per se. Nonetheless, Finland shares U.S. designations widely in the government, looping in the National Bureau of Investigation and other intelligence agencies, which in turn notify commercial entities including banks. If Finland discovers activity by individuals or entities listed on the U.S. Specially Designated Global Terrorist (SDGT) list in Finland who are not on the EU's list (which rarely, if ever, happens), it examines national money laundering statutes and other law enforcement related legislation that might permit an asset freeze. Rainne noted that money laundering provisions for freezing assets in Finland are "quite comprehensive." By all accounts, however, this is a theoretical exercise since Finland receives on average less than ten calls a year from banks that have had "close matches" but in the end clearly no definitive match. Rainne stated that this was more a reflection of the low volume of activity rather than a lack of diligence on the part of bank officials.

[1](#)3. (SBU) Responding to reftel C ("Freezing Assets of Iranian Entities and Persons Not Specifically Listed in the Annex"), Rainne confirmed that the approval process for the EU regulation providing implementing authorities for resolution 1737 is well underway, with the first stage likely to be concluded next week. It provides flexibility for the EU to include the organizations listed reftel, and while he did comment on them specifically, he believed that many of the organizations on the U.S. list would be added to the EU list. Rainne described Finland's role in EU decisionmaking on this issue as one of "promoting consensus." Finland does not usually block decisionmaking in the EU, preferring instead to raise issues in working groups and during negotiations, not "squelch the whole effort at the very end."

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